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KERRY GIVES CPR TO STRICKEN PRESIDENT

BY ALEXANDER COCKBURN

With America's debacle in Iraq blaring on every tv channel Democrats in Oregon tuned in eagerly to Kerry as he toured their state in mid-May, awaiting their champion's robust savaging of the Commander in Chief, tottering through some of the worst news headlines of his presidency.

They waited in vain. Though Iraq is a simple word of only two syllables, Kerry avoided it, and when reporters cued him to put the boot in, he raised a decorous finger to his lips, saying he wanted to give Bush "some space to get things done."

"I'm trying not to talk about it in politics," he told reporters aboard his campaign plane. "I want to give the president some space to get things done and see what happens," Kerry said. "I wish the president would lead. He needs to lead, lives are at stake. He needs to be really bold."

Finally, Kerry made a measured reference to Iraq, though he tactfully forbore to mention the president by name. Later, he indicated that within the four years of his first term he would supervise some form of withdrawal of troops from Iraq.

Having given the anti-war vote the back of his hand, Kerry focused his campaign skills on the millions who fear that Bush's judges will abolish Choice. Yes, said Kerry, he's open to nominating anti-abortion judges. Then, with a typical Kerry swerve, he added, as long as that doesn't lead to the Supreme Court's overturning Roe v Wade. And he said he's sorry now he voted to confirm Antonin Scalia back in 1986.

Then Kerry applauded Bush for job creation and backed him on Israel and Alan Greenspan. Our forthcoming book on the election's called Dime's Worth of Difference. At this rate we'll have to change the title. Why exaggerate? CP

A CounterPunch Special Investigation

The Truth About Ahmed Chalabi

BY ANDREW COCKBURN

Ahoy there, CounterPunchers! Those of you who read our website will know that on the very day, May 20, that US soldiers raided Ahmed Chalabi's compound in Baghdad we ran an extraordinary report by Andrew Cockburn on Chalabi. Here, for newsletter subscribers only, we give the full version of Andrew's astonishing and dangerous investigation, one that took him many months and a prolonged stay in Baghdad. AC / JSC

On a chilly afternoon early last January, Ahmed Chalabi was speeding home from lunch in his well armed convoy of white SUVs through the upper class neighborhood of Mansour, the Beverly Hills of Baghdad. Like much of the Iraq capital these days, Mansour is divided into fortified compounds fenced with sandbags, concrete walls and heavy firepower. Nervous inhabitants retreat inside at night and all visitors are closely scrutinized. Chalabi has more protection than most — as escort to his lunch date he had brought along an armed force of seventy men. His nephew, Ali Allawi, the minister of trade, had set off home earlier from the lunch with his own far smaller protection force. Down the block, from Chalabi's residence was the building occupied by Orascom, an Egyptian company that was bringing cell phone service to Baghdad. It too was protected by barriers and gun-toting guards. That afternoon, Allawi's driver, taking a short cut past the phone company building, refused to let the Orascom guards search the car. Angry words turned to spitting, and, eventually, bursts of AK-47 fire emptied into the ground at people's feet. No one had been hurt, and the incident might have ended there, had not Chalabi himself arrived home at that point and learned that his people had been disrespected.

Dr. Chalabi, PhD in mathematics, a senior member of the Iraqi Governing Council and for long the Bush administration's favorite Iraqi, reacted swiftly. Turning to Mohsen, his chief bodyguard, he commanded "Teach them some manners", and retired indoors to take a nap.

"It was the battle of Mansour", recalls Allawi. "Ahmed's guys all opened up on the Orascom guards, who were really a bunch of sleazeballs". Thus assaulted by Chalabi's men, the phone company forces retreated into their headquarters. Neighbors in the surrounding area cowered indoors as the thunder of gunfire echoed round the streets for over forty minutes. By the time the Orascom guards put out white flags, says Allawi, "the Chalabi side had fired seven thousand rounds and, unfortunately, four of the phone company people had been very badly wounded". Just before the battle ended, Chalabi's men had sent for reinforcements from one of the major Kurdish militias, who were speeding to the scene with artillery.

Two weeks later, the phone company had sought shelter in the well defended high

(**Chalabi** *continued on page 2)*

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rise Mansour hotel and Chalabi was in Washington, beaming contentedly as he sat behind Laura Bush as one of her guests of honor for the State of the Union address. Years of agitation and intrigue in Washington, not to mention his skillful channeling of "intelligence" about Saddam and weapons of mass destruction to receptive audiences in the press and Pentagon, had paid a huge return.

Yet, even as senators and congressmen clapped energetically in his direction, the evening was not an unalloyed triumph for the man once described by neo-conservative grand wizard Richard Perle as "the de Gaulle of Iraq". Initially he had not been invited to attend the President's speech, and only frenzied lobbying via old allies in Vice President Cheney's office had secured him a seat. More and more awkward questions were being raised around Washington about his role in supplying reports and defectors, all of which turned out to be false, about Saddam's weapons arsenal before the war. His star had been waning even in the Oval Office, where President Bush had recently informed King Abdullah of Jordan: "You can piss on Chalabi".

That disenchantment culminated in the May 20 raid, when American troops and intelligence agents, along with U.S. controlled Iraqi police, surrounded Ahmed Chalabi's headquarters and home in Baghdad, put a gun to his head and seized documents and a computer. This summary sanction appears to have been generated by Chalabi's reaction to his gradual loss of US support in recent months and the realization that he will be excluded from the post June 30 Iraqi "government" being crafted by UN envoy Lakhdar Brahimi.

Lashing out against his exclusion from power, he has in effect been laying the groundwork for a coup, assembling a Shia political coalition with the express aim of destabilizing the "Brahimi" government even before it takes office. "He has been mobilizing forces to make sure the UN initiative fails", one well connected Iraqi political observer, who knows Chalabi well, told me the day of the US raid. "He has been telling these people that Brahimi is part of a Sunni conspiracy against the Shia".

This scheme is by no means wholly outlandish. Chalabi has recruited significant Shia support, including Ayatollah Mohammed Bahr al Uloom, a leading member of the Governing Council and two other lesser known Council members. Significantly, his support also includes a faction of the Dawa Party that has been excluded from the political process by the occupation authority and which also supports rebel cleric Moqtada al-Sadr. Other recently recruited allies include Iraqi Hezbollah. All are joined in a Chalabi-dominated Supreme Shia Council, similar to a sectarian Lebanese model. "Sooner rather than later", the Iraqi observer, a close student of Shia politics, points out, "Moqtada al Sadr is going to be killed. That will leave tens or hundreds of thousands of his supporters looking for a new leader. If Ahmed plays the role of victim, he can take on that role. His dream has always been to be a sectarian Shia leader". Given the imminence of the announcement of the post June 30 arrrangement, the stakes are very high for the US. The occupation command in Baghdad well understands that Chalabi has the resources and skills to wreck the all-important arrangements for the official handover of power. "People realise that Ahmed is a gambler, prepared to bring it all down", I was told , "and this raid may not be at all to his detriment".

Many Iraqis suspect that Chalabi will be a looming presence in Iraq for years to come. Since he returned to Baghdad just over a year ago he has succeeded in building a financial powerbase both in business and key sectors of the fledgling Iraqi administration. His prescient seizure of Saddam's intelligence files a year ago has equipped him with a useful tool to intimidate opponents. In politics, despite his apparent lack of general appeal, he has been carving out a role as the Ian Paisley of the Iraqi Shia, fomenting sectarian assertiveness and brokering deals. At the same time, he has maintained his foreign alliances, not merely with the neo-conservatives in the Pentagon and right wing Washington think tanks, who are still insisting that he should have been installed in power in Baghdad by the US a year ago, but also in Tehran. Chalabi's connections to the most hardline elements in Iran, particularly the intelligence officers of the Revolutionary Guards, are longstanding and still flourish today.

* * *

Chalabi's fusion of business and politics is very much in the family tradition. Until the 1958 military coup swept away the monarchy that had ruled Iraq under British direction since the 1920s, the Chalabis were probably the richest family in the country. The founder of the family fortunes, Ahmed's great grandfather, had been the tax "farmer" (ie he collected taxes at a profit) of Kadimiah, a town near Baghdad. The Iraqi historian Hanna Batatu describes him as "a very harsh man, (who) kept a bodyguard of armed slaves and had a special prison at his disposal. When he died the people of Kadimiah heaved a sigh of relief". His son flourished in the good graces of the British, while the next in line, Ahmed's father, prospered by bailing out the racing debts of a powerful member of the royal family, earning high political office thereby, and leveraging that position into lucrative business arrangements. Ahmed's uncle meanwhile rose to be the most powerful banker in the country. As Batatu notes: "..by translating economic power into political influence, and political influence into economic power, the Chalabis climbed from one level of wealth to another". However, when the 1958 revolution swept their Iraqi wealth away, the Chalabis quickly put down roots in Lebanon. Ahmed and his brothers married into powerful families in the Lebanese shia community. "They become so Lebanese that they started pronouncing their name Shalabi instead of Chalabi", remarks another former Iraqi exile. "Lebanese don't pronounce a hard Ch sound". Initially, Chalabi himself seemed destined for an academic career. No one has ever denied he is extremely smart, as well as intellectually competitive. "When he was at primary school", recalls one of his innumerable cousins, "if he got nine marks in a test and someone else got ten, he would tear up the papers and run around in a tantrum".

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By 1970 he had graduated from MIT, collected a PhD in mathematics from the University of Chicago and returned to teach at the renowned American University of Beirut, where he attracted attention as "a walking encyclopedia". In 1977 he moved to Jordan and founded the Petra Bank. A decade later, Petra had grown to be the second largest bank in the country, with links to other Chalabi family banks and investment companies in Beirut, Geneva and Washington. The bank introduced Visa cards to Jordan, along with ATMs and other innovative technology. Ahmed himself was one of the most influential businessmen in the country, esteemed by local entrepreneurs for his readiness to issue credit, and enjoying close links to powerful members of the royal family. As long as no outsider got to look at the books, everything was fine.

On August 2, 1989, the Jordanian banking authorities took over Petra on the grounds that when all Jordanian banks were told to deposit 30 percent of their foreign exchange with the central bank, Petra had failed to come up with the money. Ahmed left the country two weeks later, announcing that he was going "on holiday", although rumors persist in the middle east that he had crossed the Syrian border in the trunk of his friend Tamara Daghistani's car. Meanwhile his brothers' banks in Geneva and Beirut had already gone under. In April, 1992, Chalabi was tried in his absence (along with 47 associates), found guilty, and sentenced to 22 years jail on 31 charges of embezzlement, theft, misuse of depositor funds and currency speculation. However, because the trial had been in front of a military court under Jordan's martial law, international law prevented his extradition.

For anyone who asks, Chalabi has always had a ready explanation for Petra's collapse, one that his daughter Tamara was still loyally repeating in the Wall Street Journal as recently as last August: "Petra Bank was seized and destroyed by those in the Jordanian establishment who'd become willing to do Saddam Hussein's bidding. That Jordan has branded my father as an 'asset diverter' would be comic, were it not for what it says about that kingdom's servile complicity with Saddam". Saddam, according to this version, got his Jordanian lackeys to move against Petra because Ahmed Chalabi posed a threat to the Iraqi leader. The bank was basically in fine shape and would have survived if the government hadn't intervened and panicked bank customers. The prosecution, conviction and sentencing of Ahmed Chalabi was an act of political spite.

"Moqtada al Sadr is going to be killed. That willl leave tens, hundreds of thousands of his supporters looking for a new leader. Ahmed can take on that role. His dream has always been to be a sectarian Shia leader".

There may be a particle of truth in this—the prime minister at the time of the takeover was known for his deep and profitable relationship with Saddam, and Chalabi was indeed a critic of the Iraqi dictator—but it is also beside the point. Chalabi's claim that he was framed reduces Jordanian officials to choleric fury. "The collapse was due to Chalabi's mismanagement of the bank and the misuse of its assets", responded one senior banking official, when I relayed Chalabi's excuse of injured innocence. "He ran it as his private piggy bank". Behind all the bluster—"Petra was solvent and growing", he insisted in an e-mail to me—the numbers laid out in the (pre-Enron) Arthur Andersen "Petra Bank balance sheet—August 2 1989" speak for themselves, as do other reports, mostly in Arabic and rarely examined by outsiders, from liquidators and other investigators.

The Arthur Andersen audit was commissioned after the Jordanian central bank, ignorant of the real and disastrous situation inside Petra, accepted full responsibility for the bank's debts and deposits. The accountants' confidential report, delivered in January 1990 and as thick as a phone directory, showed that Petra was rotten to the core in large part because of "transactions with parties related to the former management of the Bank (ie, the Lebanese and Swiss banks managed by Chalabi's brothers, which had already gone broke.) Overall, instead of the $40 million or so net balance depicted in Chalabi's version of the books, Petra had a deficit of over $215 million, which the accountants indicated had "the potential" to grow to $350 million.

This was a catastrophe for the cash-strapped desert kingdom, especially as the government had committed itself to paying off the depositors. "For two years, all the aid we got from Saudi Arabia and other arab countries", recalls a former Jordanian diplomat, "went into settling the Petra mess". Despite this, Chalabi actually boasted to me in a recent email that "after the takeover, all depositors were paid in full", a statement of amazing chutzpah, given that he skipped town and left others to clean up the mess and pay the bills. A seventeen page summary of the investigation by the military prosecutor's office, dated April 30 1990, lists various "fictitious accounts", ie money that Petra claimed to have in accounts with other banks that did not in fact exist.

These included the $7 million allegedly held on December 31, 1988, in Bankers Trust, New York, or the $21 million that was supposed to be in Wardley Ltd, but wasn't, or the 19,196,404 Deutschmarks that was supposed to be deposited with Socofi, the Chalabi bank in Geneva. Overall, at that date, the "fictitious" figure came to $72 million and counting. Elsewhere, money had been diverted to private Chalabi accounts, or had evaporated in bad loans to other Chalabi-owned companies, such as the $15 million that disappeared with the Rimal company, or the roughly $14 million that had been spent on "personal expenses" for Dr. Chalabi and various members of his family.

Among the non-performing loans of the Petra subsidiary in Washington was $12 million owed by Abdul Huda Farouki. He had pledged his $1,7 million house in Maclean, Virginia as security, but as liquidators moved to seize it, he produced a letter from his friend Ahmed claiming that Petra had released him from that obligation before the crash.

In September 2000, just over eight years after Ahmed Chalabi's conviction in Jordan, his brothers Jawad and Hazem were convicted and sentenced (in absentia) by a Geneva court for creating fake documents. The statute of limitations had run out on other charges.

"Ahmed thought he would never be tried and convicted", one former associate recalls. "I remember him saying 'they don't dare sentence me, I've got members of the royal family on the payroll."

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"The simple fact is that the bank was insolvent when we took it over" insists former Central Bank governor Dr. Said Nabulsi. "I can't see why so many people can't understand that". They look at the figures and then go away and write things like this". Gloomily, he dipped into a pile of clippings on his desk and held up a recent full page article in the Financial Times headlined "Man with a Mission" extolling Chalabi's current activities in Baghdad. Tossing it aside, he rifled through further tributes to Chalabi, who still has a jail cell awaiting him in Jordan.

Jordanian investigators, aided by sleuths from the Kroll detective agency, looked long and hard for where all the money had gone—one estimate puts the total losses of the Chalabi family empire at nearly $1.5 billion. "We followed some of the cash as far as the British Virgin Islands" says one, lamenting that the ironclad bank secrecy laws prevented them following the trail any further.

* * *

Shaking the dust of Amman from his heels, Chalabi soon scented new opportunities in Washington. "The United States is prepared to allocate substantial sums for the Iraqi opposition", he confided to an opposition activist soon after the 1991 war. "We should go for that money". Before long, he had secured CIA funding for a new opposition group: the Iraqi National Congress. The INC was in theory an umbrella organisation with a collective leadership, but Chalabi, those who have worked with him agree, is not a team player. "He always has to be in charge", one powerful Iraqi politician told me in Baghdad. " I remember a meeting in London where Hani Fekaki (one of the founders of the Baath party who fled into exile and opposition) told Chalabi: "Ahmed, in your heart, there is a little Saddam".

The spooks found much to like in the dynamic ex-banker. They liked his talents as an organizer, and they especially liked the fact that he had no power base inside or outside Iraq. Hence, as Frank Anderson, then head of the CIA's operations directorate's near east division, once told me , Chalabi "was not a threat to anybody. He was acceptable as an office manager. So his weakness was a benefit".

Another benefit was his money. One former covert operator happily recalled the inaugural meeting of the Iraqi National Congress in Vienna, Austria in June 1992, which was wholly, if secretly, funded by the CIA: "There wasn't a single person there who didn't believe he was paying for it all out of money he had embezzled from the Petra Bank!" (I asked one investigator who had spent years probing the Petra wreckage if anyone from the US government had ever queried him on the true facts of the fraud. "No", not once", he answered, adding that journalists had also steered clear of the ugly truths about Chalabi's banking career.)

"He doesn't want colleagues, only employees", says one former INC associate sadly. "And he prefers to bring in outsiders who can't work independently of him". As example, this Iraqi opposition veteran cites INC official Zaab Sethna, an American of Pakistani origin, and Francis Brooke, Chalabi's Washington lobbyist. During last year's war, Brooke, a fundamentalist Christian, told Harper's Magazine that he would support the elimination of Saddam, "the human Satan", even if every single Iraqi were killed in the process.

Aras Karem Habib, a Shi'ite Kurd who has supervised Chalabi's security and military operations since 1992, is probably the most formidable member of this inner circle. Pegged by the CIA as an Iranian agent (the agency consequently had several of his relatives jailed without charge for years in the US) Aras played a major role in managing the production of useful defectors in pre-war days, and still today supervises the INC's "Intelligence Collection Program". His direct contacts with U.S. military intelligence make him perhaps the only member of Chalabi's coterie to have any kind of an independent base. He is currently on the run after the US raid.

It took a few years for the CIA high command at Langley to grasp the fact that their "office manager" was not so easy to control. Funded by the agency, Chalabi ensconced himself in the segment of northern Iraq that was controlled by the Kurds, together with a small staff and recruited an armed militia. In March 1995 he concocted an elaborate scheme to bribe tribal leaders in and around the northern city of Mosul into rebelling against Saddam. "That's the way Lebanese politics works—through bribery and corruption", says Bob Baer, who, as CIA station chief in northern Iraq at the time, supported the plan. "People forget that Ahmed's really a Levantine, he learned business and politics in Beirut."

In the event, the plan fizzled. The tribal leaders pocketed Chalabi's money and stayed home. His friends in Iranian intelligence, whom he was hosting in Kurdistan, had promised a simultaneous offensive in southern Iraq, but they stayed home too. A military offensive by Chalabi's small militia and some Kurdish allies petered out after a couple of days.

Back in Washington, the CIA was furious that Chalabi had acted without orders, and spitefully leaked the news that he was on their payroll, causing a furor in northern Iraq. The following year, a quarrel between the two main Kurdish parties led to an appeal by one side to Saddam for help. As Iraqi forces entered the Kurdish city of Irbil, they hunted down and massacred INC supporters who had been left in the city. Those who managed to escape were eventually brought to the US.

* * *

Discarded by his old patrons at the agency, Chalabi found new allies among the neo-conservatives, for whom the destruction of Saddam and the co-option of Iraq in a re-ordered Middle East emerged as a major objective in the mid-1990s. "Of course they liked him", says yet another of long list of veterans of the Iraqi opposition who now, in Baghdad, nervously entreat interviewers not to quote them by name. "He is the quintessential anti-Arab, anti-anything that the Arab world believes in". Chalabi's willingness, unique among Arab politicians, to seek Israeli support—further bolstered his position on Capitol Hill.

One frequent visitor from Washington has been Chalabi's old friend Abdul Huda Farouki, who owed Petra $12 million at the time of the collapse. Last year Farouki's newly founded security firm Erinys won a plum $80 million contract to guard Iraqi oil installations, employing members of Chalabi's private militia for the purpose, as well as the son of a close Chalabi confidante

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as chief executive and his nephew Salem Chalabi as firm's counsel. Erinys' sister concern Nour USA meanwhile garnered $327 million deal to equip the new Iraqi army, (at least one Kuwaiti businessman anxious to get an army contract was told by an American official at the CPA that he would have to go through Ahmed Chalabi) but outraged protests from the losing bidders, coupled with the odor of the Chalabi connection, eventually forced cancellation of the deal.

Loss of the Nour contract may be an embarrassment, but the sums at stake in that enterprise are dwarfed by the rewards to be reaped by anyone with the right connections from Iraq's $16 billlion annual oil exports. It is an area in which Chalabi has not been idle. Last November, for example, he demonstrated his influence and connections by orchestrating the removal of Mohammed Jibouri, executive director of the state oil marketing agency (SOMO), a key position that controls Iraq's oil sales. Jibouri's offense had been to inform the giant oil trading firm Glencore that it could not trade Iraqi oil due to its behavior while trading oil with the former regime. Within days, the official had been placed on an enforced year's leave of absence and ordered to vacate both his office and his apartment in the oil ministry complex.

"Chalabi was absolutely responsible for getting rid of Jibouri", says a well connected oil trader. "Now Nabil (Mousawi, Chalabi's proxy on the Governing Council) travels with the minister to Opec conferences and is trying to make oil deals".

"I asked Ibrahim Bahr Uloom (the oil minister) why he was taking Mousawi to Opec", says an old friend of Uloom. "He said, 'Ahmed forced me.'" Several well placed oil industry sources have confirmed to me that Mousawi has approached at least two oil companies with offers to represent them in Iraq (the offers were rebuffed) and has himself been trading Iraqi oil.

"Believe me, no", said Mousawi when I asked him about these offers. "Not that I would not do it if I was not connected to the Governing Council (but) it's quite difficult to carry on both sides...There'll be a lot of money to be made (in Iraq) for many years to come". He also denied that he has been trading oil, and insisted that Jibouri was dismissed after an investigation by the finance committee of the Iraqi Governing Council (Chairman: A. Chalabi) for giving contracts to firms who had flouted sanctions, rather than the other way round. Chalabi on the other hand denied to me that the Governing Council, let alone he himself, had anything to do with the matter.

Chalabi also told me flatly that he is not presently engaged in any private business dealings in Iraq. Many in the region have a different impression, including oil traders using unofficial ports that have sprung up and down the Shatt al-Arab from Basra.

Oil minister Ibrahim Bahr al Uloom is considered a close ally of Chalabi's, but he is only one of a number of key officials widely regarded by Iraqis to be in the INC chief's pocket. Finance minister Kamil Gailani, formerly a waiter in the Sinjan restaurant in downtown Amman, is viewed as another Chalabi acolyte, as is the head of the central bank and the bosses of the two leading commercial banks. Nephew Salem Chalabi, who has worked closely with free market fundamentalist fanatics from the CPA on framing crucial occupation edicts, is now overseeing preparations for the trial of Saddam Hussein.

These connections, together with Chalabi's own chairmanship of the Governing Council's finance committee, facilitate such maneuvers as Gailani's current efforts to recruit a western law firm to advise on renegotiating Iraq's overseas debt. British and American lawyers mulling a bid for the contract are in no doubt that it is Chalabi who will be supervising the renegotiation, nor are they unaware of the moneymaking potential of the process. Some officials in Washington are no less perturbed by his efforts to get what one calls "his grubby little hands" on pools of cash secretly stashed abroad by Saddam Hussein. "That money belongs to the Iraqi people", says the official, "not Ahmed Chalabi. (Chalabi is also recruiting law firms to investigate the UN oil-for -food scandal, which, like Saddam's intelligence files, should provide him with a trove of useful information.)

This is not the first time that Chalabi's sources of finance have attracted attention in Washington. In 2002, US State Department auditors probing what had happened to a US subsidy of Chalabi's INC queried the lack of accounting for the large sums spent on an "Intelligence Collection Program". Chalabi refused a more precise accounting on the grounds that his agents' lives were at stake. But according to one former Chalabi associate, at least some of the intelligence money had actually been spent in Iran, which would have been a good reason for keeping the accounts a little fuzzy. This former associate recalls, that, in the late '90s, "Ahmed opened an INC office in Tehran, spending the Americans' money, and he joked to me that 'the Americans are breaching their embargo on Iran.'"

At the time, Chalabi let it be known just who his friends were in Tehran. "When I met him in December 1997 he said he had tremendous connections with Iranian intelligence", recalls Scott Ritter, the former high profile UN weapons inspector. "He said that some of his best intelligence came from the Iranians and offered to set up a meeting for me with the head of Iranian intelligence".

Had Ritter made the trip (the CIA refused him permission), he would have been dealing with Chalabi's chums in Iranian Revolutionary Guard intelligence, a faction which regarded Saddam Hussein with a venomous hatred spawned both by the bloody war of the 1980s and the Iraqi dictator's continuing support of the terrorist Mojaheddin

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Khalq group. They had an interest in fomenting American paranoia about Saddam, which makes them the most likely authors of at least one carefully crafted piece of forged intelligence regarding Saddam's nuclear program—an operation in which a Chalabi-sponsored defector played a key role.

Early in 1995, an "Action Team" of inspectors from the International Atomic Energy Agency descended on the offices of the Iraqi nuclear program in Baghdad. They had with them a 20 page document that apparently originated from inside "Group 4", the department that had been responsible for designing the Iraqi bomb. The stationary, page numbering, and stamps all appeared authentic, according to one senior member of the Iraqi bomb team. "It was a 'progress report,'" he recalls, "about 20 pages, on the work in Group 4 departments on the results of their continued work after 1991. It referred to results of experiments on the casting of the hemispheres (ie the bomb core of enriched uranium) with some crude diagrams". As evidence that Iraq was successfully pursuing a nuclear bomb in defiance of sanctions and the inspectors, it was damning.

The document was almost faultless, but not quite. The scientists noticed that some of the technical descriptions used terms that would only be used by an Iranian. "Most notable", says one scientist, "was the use of the term 'dome'—'Qubba' in Iranian, instead of 'hemisphere'—'Nisuf Kura' in Arabic". In other words, the document had to have been originally written in Farsi by an Iranian scientist and then translated into Arabic.

Tom Killeen, of the Iraq Nuclear Verification Office at IAEA headquarters in Vienna, confirms this account of the incident. "After a thorough investigation the documents were determined not to be authentic and the matter was closed". Asked how the IAEA obtained the document in the first place, Killeen replied "Khidir Hamza". Hamza was the former member of the Iraqi weapons team who briefly headed the bomb design group before being relegated to a sinecure posting (his effectiveness as a nuclear engineer was limited by his pathological fear of radioactivity and consequent refusal to enter any building where experiments were underway.) In 1994 he made his way to Ahmed Chalabi's headquarters in Iraqi Kurdistan, and eventually arrived in Washington. where he carved out a career based on an imaginative claim to have been "Saddam's Bombmaker".

"He will play the Shia extremist card for all it is worth. He's prepared to break Iraq apart if it serves his purpose."

As late as the summer of 2002 Hamza was being escorted by Chalabi's Washington representative Francis Brooke to the Pentagon to brief Deputy Defense Secretary Paul Wolfowitz on details of Saddam's allegedly burgeoning nuclear weapons program. There is no indication that he himself ever visited Iran. Asked by e-mail whether he had been receiving intelligence from the Iranians, Chalabi, despite his 1997 assertion to Scott Ritter, rejects the charge as "an absolute falsehood". Judging by his frequent visits to Iran, and the warm manner in which his underlings discuss the ayatollahs' regime, Chalabi links with Tehran are still strong.

These links may indeed have been a factor in prompting the May 20 raid. Newsweek and CBS have reported that the U.S. has solid evidence that Chalabi has been divulging classified military secrets to the Iranians, information that, according to the reports "could have gotten people killed". Given Challabi's brazen advertisement of his Iranian intelligence connections in the past - eg his assertion to Scott Ritter—it is surprising that US intelligence is paying attention only now. However, this news may be causing some discomfort among his trusty neocon supporters, since there is reportedly an hunt underway to find who ever was supplying Chalabi with the information he passed to the Iranians. At least until the raid, the neocon gang were still maintaining that the big mistake of the occupation was not putting Ahmed in charge right away. Like others, they may come to rue the day that they linked themselves with Ahmed Chalabi.

One well connected Iraqi told me recently, "he will play the Shia extremist card for all it is worth. He's quite prepared to break Iraq apart if it serves his purpose. He's really dangerous now". CP

Andrew Cockburn is the co-author of Out of the Ashes and a contributor to CounterPunch's hot new history of the last three US military operations, Imperial Crusades.

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